

May 12, 2021 Budget Work Session

A special meeting of the Council of the City of Martinsville, Virginia, was held on May 12, 2021, in Council Chambers, Municipal Building, at 6:00PM, to conduct a budget work session with Mayor Kathy Lawson presiding. Council Members present included Mayor Lawson, Vice Mayor Jennifer Bowles, Council Member Chad Martin, Council Member Tammy Pearson and Council Member Danny Turner. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant Finance Director Mandy McGhee, Finance Director Linda Conover, Community Development Manager Mark McCaskill, Police Chief Eddie Cassady, Deputy Police Chief Rob Fincher, Utilities Director Durwin Joyce, Public Works Director Jeff Gauldin, Water and Wastewater Director Mike Kahle, Telecommunications and MiNet Manager Mike Scaffidi, Safety Officer John Turner, Fleet Manager Lane Shively, Fire Chief Ted Anderson and Deputy Fire Chief Kris Shrader

Mayor Lawson opened the meeting.

City Manager Towarnicki explained the format of the meeting. He stated that Sheriff Draper would be unable to attend and has been rescheduled for May 13. Council will notice that due to the cost of living adjustment, all of the salary items have changed including associated benefit costs. Towarnicki began on page 14 of the Budget Book under the General Fund tab and encouraged Council to ask questions as they went through the book page-by-page.

Council Member Turner expressed concern about a tax increase that he was opposed to at the previous Council meeting. Mayor Lawson stated that Council was did not want a tax increase but they must hold a public hearing to oppose the tax. Towarnicki explained that under the code section, Council is required to hold a public hearing prior to adopting the rate that produces more than a 1% increase in real estate tax revenue, and due to the last reassessment, property values increased by over 2%. Towarnicki explained that the \$1.06/\$100 is the current rate and staff is recommending to leaving that rate in place, and budgeting for the increase in revenue. Mayor Lawson confirmed that the cost of living increase is 5% and the City follows what the State approves. Towarnicki also explained that there are a few other minor salary adjustments to accommodate any staff whose salaries were affected by the minimum wage adjustment or who's salaries were not competitive with surrounding localities.

Garage Manager Lane Shively confirmed that 90% of the work done at the garage is handled by staff. They only contract work that they are not qualified for or may not have the staff to complete which saves the City on costs.

Police Chief Eddie Cassady was in attendance to answer questions on the Police Department budget, explaining that they are falling behind on officer salaries mainly because Henry County and the State Police Department offer more competitive positions. Cassady explained the increase on the armored vest budget.

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City Manager Towarnicki answered questions on the Fire Department budget and EMS budget. Mayor Lawson explained that while the calls were down, more of the calls were billable and reimbursable. The City purchased a new fire truck and a new ambulance this past year. Towarnicki summarized the need to expand the Emergency Management Coordinator/Safety Coordinator position into two separate positions again. In addition, a part-time position in the Inspections office will become fulltime and another part-time position will be filled. Towarnicki explained the cost increase on the project of homes and townhomes that will be built by Nationwide Homes. Questions were answered regarding the Street Maintenance budget and the revenue from VDOT generated by the use of our own equipment. Towarnicki and Community Development Director Mark McCaskill answered questions about the Community Development budget and various ongoing projects.

When discussing the CPEG budget, Finance Director Linda Conover verified that the comment on that budget page was an error and that level funding for C-Peg is recommended. Mayor Lawson requested Lisa Watkins of the Martinsville/Henry County Chamber attend a closed session to further detail their budget. Towarnicki explained that MURA was “folded” into CPEG but must still be funded. Conover received confirmation that there would not be a July 4 celebration in 2021 but the funds were put into the budget for 2022.

Finance Director Conover and City Manager Towarnicki answered questions about the funds transferred on meals taxes. Additional information was provided about the refuse department, the recycle boxes and the recycling program. Council went through the Telecommunications/MiNET budget as well as Water Resources, the Reservoir and Wastewater budgets. Towarnicki and Utilities Director Durwin Joyce answered questions related to the Electric Department budget and projects.

City Manager Towarnicki explained what was included in the capital fund and the need to replace some vehicles. Council discussed the next round of CARES funds and how the City would be able to use that. Council requested more information be provided at a Closed Session meeting.

There being no further questions or discussion, the meeting adjourned at 8:40 pm.

Karen Roberts, Clerk of Council

Kathy Lawson, Mayor